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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
Implementation of the Subscriber Carrier)
Selection Changes Provisions of the)
Telecommunications Act of 1996)
)
Policies and Rules Concerning)
Unauthorized Changes of Consumers)
By Long Distance Carriers)

CC Docket No. 94-129

COMMENTS OF BELL ATLANTIC¹
ON JOINT PETITION AND JOINT MOTION

The Joint Petitioners propose a Third Party Administrator ("Administrator") to handle customer slamming complaints, to determine or assure carrier compliance with verification and customer compensation rules, and to resolve carrier-to-carrier liability claims. Joint Petition at 2. Many aspects of the proposal are valid conceptually; however, if the Commission adopts an Administrator proposal, that proposal should assure, at a minimum, the following: (1) that carrier participation in an Administrator system is completely voluntary; (2) that the Administrator is truly independent and neutral and that it does not favor any specific class of carriers; and (3) that the

¹ The Bell Atlantic telephone companies ("Bell Atlantic") submit these comments on the Joint Petition for Wavier ("Joint Petition") and Joint Motion for Extension of Effective Date of Rules, or, in the Alternative, for a Stay ("Joint Motion") filed by MCI Worldcom, AT&T, Sprint, Excel, Telecommunications Resellers Association, Frontier, and Qwest ("Joint Petitioners") in this docket on March 29, 1999. The Bell Atlantic telephone companies are Bell Atlantic – Delaware, Inc., Bell Atlantic – Maryland, Inc., Bell Atlantic – New Jersey, Inc., Bell Atlantic – Pennsylvania, Inc., Bell Atlantic – Virginia, Inc., Bell Atlantic – Washington, D.C., Inc., Bell Atlantic – West Virginia, Inc., New York Telephone Company, and New England Telephone and Telegraph Company.

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Administrator implements a clearinghouse for compensation due carriers under Commission rules.²

In addition, the Commission should not impose Administrator requirements proposed by Joint Petitioners upon carriers who comply with the Commission's liability rules but do not participate in the Administrator system.³ Imposition of the Administrator system on such carriers will require an unnecessary and unduly burdensome duplication of resources and functions by such carriers. It will also require such carriers and their customers to deal with two separate mechanisms to resolve complaints and compensation disputes, inevitably leading to carrier and customer frustration and confusion about the proper course of action to resolve complaints and compensation issues. Clearly, such inefficiencies and confusion do not serve the public interest.

1. Carrier Participation in the Administrator System Must be Voluntary.

To meet the Commission's imminent effective date for implementing the Commission's liability rules, Bell Atlantic has established a dispute resolution center.

² Joint Petitioners also argue that the Administrator should direct the customer's local exchange carrier to change the customer back to his or her preferred carrier. Joint Petition at 20. Bell Atlantic has already suggested to Joint Petitioner representatives that such direction should instead be given by the Administrator to the customer's authorized carrier who will know the steps to implement changes in local exchange carriers and resale carriers that may be unknown to the customer's local exchange carrier.

Joint Petitioners also call upon the Commission to review PIC charges to assure they are cost based. This issue is before the Commission in other proceedings and should not be addressed here. *See, e.g., MCI Telecommunications Corp. v. Bell Atlantic – Pennsylvania, Inc.*, E-97-22; *MCI Telecommunications Corp. v. New York Telephone Co.*, E-97-24.

³ Liability rules are set forth at 47 C.F.R. §§ 64.1100(c), 64.110(d), 64.1170, and 64.1180. These rules become effective on May 17, 1999.

The center will handle investigations of the slamming complaints Bell Atlantic receives as well as customer and intercarrier compensation issues consistent with Commission rules. Bell Atlantic estimates that its dispute center personnel salary costs alone for the remainder of 1999 will top \$3 million. Additional resources will be spent on recruiting, training, facilities, equipment, and systems, including mechanisms of communication⁴ with other carriers that will be necessary to resolve complaints and compensation issues. Bell Atlantic estimates that dedication of such resources will be considerable and ongoing. Bell Atlantic will also expend resources educating its customers about dispute center functions and methods to resolve slamming complaints and compensation issues.

Joint Petitioners argue that carrier participation in the Administrator system would be voluntary. Joint Petition at 16. In fact, the contrary is true. As the Joint Petition later makes clear, non-participating carriers, including those that fully comply with Commission rules independent of the Administrator system, would be bound by Administrator procedures and would be required to fund Administrator processes on a complaint-by-complaint basis any time a slamming complaint involves participating and non-participating carriers. Joint Petition at 27. The Administrator proposal should therefore be revised to operate only where all of the involved carriers are participating carriers.

The Administrator system described by the Joint Petitioners would not be implemented until well after Bell Atlantic and, presumably, all other carriers have already invested the resources to implement the Commission's liability rules that become

⁴ Intercarrier communications will be necessary, for example, to obtain proof of verification and to provide or obtain billing information.

effective in just one month.⁵ This is so because Joint Petitioners state they will need six months or more to implement the Administrator system after approval of their proposal by the Commission. Joint Motion at 4. Implementation of the Administrator proposal as written would therefore saddle Bell Atlantic with additional costs to hire, recruit, and train personnel to comply with Administrator processes that would duplicate what will be then-existing, compliant, and operating dispute center functions. In addition, Bell Atlantic would have to expend additional resources to communicate with the Administrator. This would duplicate communications channels that Bell Atlantic will have already established between itself and other carriers. Even Joint Petitioners recognize that establishment of such communication channels will be costly. Joint Motion at 9.

Finally, Bell Atlantic would be required to expend additional resources to re-educate customers about a second mechanism that must be followed to resolve complaints and compensation issues depending upon whether an affected carrier participates in the Administrator system. Inevitably, multiple mechanisms to comply with Commission liability rules would generate customer and carrier frustration and confusion. The Commission should avoid carrier and customer confusion and unwarranted and wasteful investments of personnel, time, and other resources by

⁵ Of course, compliance by May 17 will not be required if the Commission quickly grants the Joint Motion filed by the Joint Petitioners and either extends or stays the effective date of the Commission's liability rules. Such an extension or stay would not only permit implementation of the Administrator system, as Joint Petitioners point out, but permit development of a Administrator system that meets the interests of all industry participants and their customers while avoiding the duplication of resources described below.

eliminating requirements in the Administrator proposal that impose Administrator procedures and funding requirements on non-participating carriers.

2. The Administrator Must be Neutral.

Joint Petitioners argue that the proposed Administrator would be independent and neutral. Joint Petition at 15. As the Joint Petition itself demonstrates, however, interexchange carriers would control the governing board of the Administrator. The board would have no more than eight local exchange carrier representatives and one local exchange carrier trade group representative (USTA). By contrast, the board would have nine interexchange carrier representatives, two interexchange carrier trade association representatives (CompTel and TRA), and one competitive local exchange carrier trade group representative (ALTS), many of whose members are also interexchange carriers. Joint Petition at 15-16. To assure independence and neutrality, the Commission should require board representation that is divided equally between carrier classes and associated trade group representatives or implementation of another governance mechanism that does not favor one class of carrier and associated trade groups over another.⁶

3. The Administrator Should Implement a Clearinghouse for Intercarrier Compensation.

Joint Petitioners propose that the Administrator monitor payments between carriers that may be due under Commission rules. Joint Petition at 28. The Administrator apparently would have no role in receiving, disbursing, and coordinating payments between carriers. The Administrator could provide some efficiencies by acting as a clearinghouse for such carrier payments. This clearinghouse function would avoid

⁶ Representatives of Joint Petitioners have informed Bell Atlantic of their interest in remedying the representation problem described above.

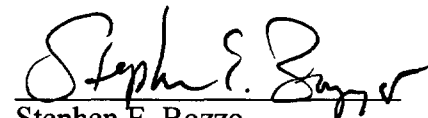
multiple individual bills and disbursements between carriers and permit carriers simply to pay or be paid by the clearinghouse.

Conclusion

For the reasons set forth above, if the Commission adopts the Administrator proposal, it should reform the proposal to assure Administrator neutrality and independence, voluntary carrier participation in the Administrator system, and implementation of a clearinghouse function by the Administrator for intercarrier compensation.

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Dated: April 16, 1999

CERTIFICATE OF SERVICE

I hereby certify that on this 16th day of April, 1999, copies of the foregoing "Comments of Bell Atlantic on Joint Petition and Joint Motion" were sent by first class mail, postage prepaid, to the parties on the attached list.

A handwritten signature in black ink, appearing to read "Jennifer L. Hoh", written over a horizontal line.

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